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CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

Date: December 15, 2014

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director
Subject: Interlocal Agreement among City of Durham, Research Triangle Regional Public Transportation Authority, and Town of Chapel Hill for the Procurement of Buses, Bus Equipment and Parts

Executive Summary

An Interlocal Agreement among the City of Durham, Research Triangle Regional Public Transportation Authority (Triangle Transit), and Town of Chapel Hill for the Procurement of Buses, Bus Equipment and Parts has been developed. The agreement allows consolidated bus purchases intended to permit each party the opportunity to purchase buses less expensively than if each entity procured them independently.

Recommendation

It is recommended that City Council resolve that the City Manager be authorized to execute the Interlocal Agreement among City of Durham, Research Triangle Regional Public Transportation Authority, and Town of Chapel Hill for the Procurement of Buses, Bus Equipment and Parts.

Background

The City of Durham has been working cooperatively with Triangle Transit and Chapel Hill Transit for the purpose of consolidating the solicitation and procurement of transit buses. A cooperative bus purchase requires an interlocal agreement among the City of Durham and each transit system to legally participate. The interlocal agreement for cooperative purchasing is made pursuant to North Carolina General Status Chapter 160A, Article 20.

The City of Durham was requested to take the lead with respect to this cooperative bus purchase as it will be purchasing more buses immediately. City of Durham staff has worked with Triangle Transit and Chapel Hill Transit staff and produced bus specifications which will soon be out as bids for solicitation. The agreement obligates the City of Durham to take the lead with respect to preparing the solicitation and procurement request documents for the bus purchase(s), which may result in lower bids. Through the combined effort of the procurement staff from all three transit providers, specifications are now complete for a consolidated solicitation.

An Interlocal Agreement has been prepared, reviewed and approved by each party's legal staff. The attached Interlocal Agreement for the Procurement of Buses and Bus Equipment and Parts is the result of this effort.

Issues/Analysis

Proceeding with a cooperative agreement with Triangle Transit and Chapel Hill Transit for the purchase of transit buses requires approval and execution of an interlocal agreement. This agreement obligates the City of Durham to serve as the lead agency with respect to the preparation of the solicitation and procurement request documents for the bus purchase(s). The benefit is that the purchase of a greater number of buses should result in a lower cost per unit, although under the agreement, no party is required to enter into a purchase agreement with the selected lowest, responsible, responsive bidder and each party will contract separately for its own bus purchase(s).

The City of Durham will serve as the lead agency in a cooperative bus purchase and plans to contract for the bus purchases as well. Once the solicitation is completed and bids are received and tabulated, a report recommending bid award(s) will be prepared and presented to City Council for separate action. Upon bid award(s), the City of Durham and the other participating transit providers will independently issue purchase orders for the buses and parts desired, which will then be purchased directly from the successful bidders(s) and not from or through the City of Durham. This agreement is for a term ending December 31, 2021. The City plans to purchase a total of 17 buses (10 expansion and 7 replacements) within the initial order of buses and up to a total of 35 within the five-year period. Based on individual replacements schedules, the group may potentially purchase 127 or more vehicles.

The cost per bus is expected to be lower because the consolidated bid involves several buses and is not limited to the number of buses that the City of Durham intends to purchase.

The bid process is likely to include the submission of a greater number of "Requests for Approved Equals" by the prospective bidders; thus requiring additional staff time for review and appropriate response. The other participating transit providers have already agreed to provide this additional staff time.

Alternatives

- 1) City Council authorizes the City Manager to execute the Interlocal Agreement among City of Durham, Research Triangle Regional Public Transportation Authority, and Town of Chapel Hill for the Procurement of Buses, Bus Equipment and Parts. Anticipated cost savings per bus through agreement.
- 2) City Council does not authorize the City Manager to execute the Interlocal Agreement among City of Durham, Research Triangle Regional Public Transportation Authority, and Town of Chapel Hill for the Procurement of Buses, Bus Equipment and Parts. Forego anticipated cost savings per bus through agreement. City of Durham proceeds to purchase buses independent of any other transit provider including notice to all prospective bidders that the solicitations for bids includes only the City of Durham. The cost per bus is expected to be higher because the independent bid will only be limited to the buses that the City of Durham intends to purchase.

Financial Impact

The financial impacts of alternatives are described above.

SDBE Requirements

SDBE requirements are not applicable for this Agreement.

Attachment

Interlocal Agreement